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DISPATCHES.

■ AUSTRALIA: The Nugan Hand Investigation

Nugan Hand, an American-owned merchant bank based in Sydney that collapsed four years ago, has the Central Intelligence Agency worried. In 1982 *The Wall Street Journal* published a series of articles linking the bank to multi-million-dollar swindles, drug trafficking and arms smuggling. Worse, it discovered that a number of former U.S. intelligence and military officers were employed at Nugan Hand when it went under. Last year, an article in *Foreign Policy* provided evidence that Nugan Hand was the "bur-sar" for C.I.A. operations aimed at Australian political parties and labor unions. The C.I.A., which rarely comments on such allegations, flatly denied any connection with Nugan Hand but refused to cooperate in Australia's investigation of the bank.

Recently, the Australians released "Volume 4: Nugan Hand (Part II)," a report by the Commonwealth-New South Wales Joint Task Force on Drug Trafficking. It is a shocker. Among dozens of remarkable vignettes on the intelligence community is one describing how former C.I.A. agent Edwin Wilson, who was convicted last year of running guns to Libya, performed a similar service for Nugan Hand.

According to the report, Wilson was hired in 1973 by the U.S. Office of Naval Intelligence "to expand the operations of Task Force 157" by establishing a number of proprietary companies to be used as fronts for intelligence work. One of the companies Wilson founded was World Marine, which had offices at 1425 K Street, in Washington. Incidentally, although the C.I.A. claims Wilson severed all ties with it in April 1976, the report points out that he worked out of World Marine offices until late 1979. It goes on to say:

According to "J" [a former employee of Wilson's], in either 1975 or early 1976 two C.I.A. operatives, James Hawes and Robert Moore, who were then working out of Indonesia, called at World Marine in Washington D.C. Hawes told Wilson that there would be some Australians visiting Washington to discuss an African arms deal "that had to be put together." There was also some discussion about Agency operations in Indonesia and the name Nugan Hand was mentioned in a general way.

Shortly after Hawes's visit, Wilson and Maurice Houghton, an official of Nugan Hand, had a series of meetings, at the end of which Wilson placed Nugan Hand's order for 10 million rounds of ammunition and 3,000 weapons, including machine guns, M1s and carbines. World Marine shipped the weapons from Boston ostensibly to a buyer in Portugal. En route, however, the shipment was diverted to South Africa. The report concludes that the weapons were received by Michael Hand, one of the founders of Nugan Hand, and shipped to C.I.A.-supported guerrillas in Angola.

Hand is still sought by the Australians on criminal charges in connection with the bank's financial dealings. Soon after the collapse, he left Australia using a false passport provided by a mysterious friend named "Charlie." The Australians have identified "Charlie" as James Oswald Spencer, a former member of the U.S. Special Forces who was "loaned" to the C.I.A. during the Vietnam War. Spencer was interviewed by the F.B.I., but refused to talk about his dealings with Michael Hand.

■ LEBANON: The Army Game

When Shiite Moslem fighters moved to retake West Beirut last month, many of their coreligionists in the Lebanese Army preferred to switch rather than fight. Their behavior must have disappointed Fadi Afram, the military commander of the Phalangist militia. Last November, Afram spoke frankly to the Kuwaiti publication *Al-Siyasah* about the political role he expected the army to play:

Lebanon . . . is not an Arab country. . . . No state or military power is ready to die in the place of the Lebanese. Therefore, the Lebanese Army must undertake this task. This can occur only after the army has obtained sufficient support. It cannot be done in a month or two but will take two years. If the army can again liberate the mountain [the Shuf region, home of the Druse] then the military balance will change decisively. Then the political negotiations will be turned about in Lebanon's favor.

Thus all along Afram and the Phalangists have viewed the Lebanese Army as merely an instrument to promote Phalangist interests. That has always been the problem in Lebanon. In 1969, the commander of the army, Gen. Jaim Nujam, paid a visit to Egypt's Gamal Abdul Nasser. According to Nasser's intelligence chief, Amin Houeidi, Nasser told the Lebanese general,

You know, Jaim, my opinion about the Lebanese. They boast of their democracy and they have no democracy. They speak of their great economy and they produce nothing. Their state is a piece of paper. But still, you have in your hands the solution to all these problems. Lebanon needs a national army, not an army of the Maronites.

Houeidi told "Dispatches" that when his Lebanese friend (the two had been classmates in a military training program at Fort Leavenworth, Kansas) returned to Beirut, he tried to open the officer corps to non-Maronites. "But a few months after his talk with Nasser," Houeidi said, "Nujam died in a plane crash. I don't know if it was by design or by accident."